

**MINUTES OF THE JOINT CAPITAL FACILITIES AND ADMINISTRATIVE  
SERVICES APPROPRIATIONS SUBCOMMITTEE**

**Friday, February 9, 2001, 2:00 p.m.**

**Room 131, State Capitol Building**

Members Present:     Rep. Gerry Adair, Co-Chair  
                              Sen. Beverly Evans, Co-Chair  
                              Sen. Mike Dmitrich  
                              Sen. John Valentine  
                              Rep. Jeff Alexander  
                              Rep. Roger Barrus  
                              Rep. Ralph Becker  
                              Rep. DeMar “Bud” Bowman  
                              Rep. David Clark  
                              Rep. Brent Goodfellow  
                              Rep. Ty McCartney  
                              Rep. Loraine Pace

Members Absent:     Rep. Greg Curtis  
                              Rep. Kevin Garn

Staff Present:        Kevin Walthers, Fiscal Analyst  
                              Jonathon Ball, Fiscal Analyst  
                              Sharon Johnson, Secretary

Rep. Adair called the meeting to order at 2:00 p.m.

**1. Archives**

Mr. Walthers presented information about leasing space for Archives. Raylene Ireland, DAS, commented on the location and Jeff Johnson, Archives, addressed storage problems at the Decker Lake facility. He listed the issues of concern that Archives is facing. He also explained about a proposed partnership with the State History Office and the Arts Council, which would be called the Utah Cultural Center. The committee members discussed this proposal. Mr. Walthers commented on the U of U Natural History Center project.

**2. Approve minutes**

**MOTION:** Rep. Goodfellow moved to approve the minutes of Jan. 29, 2001. The motion passed unanimously with Reps. Alexander and Bowman absent at time of voting.

**3. GOPB**

Randa Bezzant, GOPB, presented updated information from the Governor’s Office to the committee which provides a comparison between the Governor’s budget, The Legislative Fiscal Analyst and the Sub-committee’s actions.

#### **4. Children's Museum**

Brent Sloan, Board Chair of The Children's Museum of Utah, addressed the committee with plans for a new science and cultural center. The Museum would be paired with the Hansen Planetarium. Leah MacKinnon, Outreach Coordinator for the Museum demonstrated their Science Outreach program which travels to school districts in the state. Mr. Sloan presented the study results and design drawings which resulted from a prior appropriation to study a new location for the museum. He is asking for a one-time \$3 million contribution from the state which reflects 8% of the projected cost of \$35 million. The remainder would be funded through Salt Lake County.

Rep. Adair recommended going through the Building Board's process before requesting funds from the committee.

#### **4. University of Utah Huntsman Hospital**

Bernard Machen, Pres. U of U, spoke about the Cancer Research Hospital. They have developed a funding plan which would require an upgrade from \$70 million to \$100 million for the project. The goal is to build a cancer research hospital adjacent to the Huntsman Cancer Center. They are requesting intent language for a \$100 million bond to be split between Huntsman Hospital and the University. The major donor for the new facility would like to start soon and that would be possible with \$5 million appropriated from the Legislature.

Mr. Walthers addressed the document to be used for remaining budget decisions and stated that page 8 would need to reflect the change of \$70 million to \$100 million. He explained the procedures for financing and repaying the bond while Pres. Machen stated that state assurance for bonding improves the rating they can get. Mr. Walthers clarified that if the state provides \$5 million it removes the Hospital from the non-state funded list.

Mr. Walthers also addressed O and M for the Museum of Natural History. He has met with University representatives and found that there is some money in the museum budget for O and M. He recommends that \$282,500 be forwarded as a recommendation to the Higher Ed. committee as it fits the educational mission. Pres. Machen said the museum will come on line in 2006 and that Sen. Bennett is working on some federal help. He supports folding existing O and M into the new museum and a supplement for a bigger building would not be needed until 2006. It is important that the federal government know that the state has a commitment.

#### **5. Intent Language**

Mr. Walthers presented intent language to be approved by the committee.

#### **1. Division of Purchasing and General Services**

*It is the intent of the legislature that funds for the Division of Purchasing and General Services are non-lapsing and that those funds be used to further the Division's E-commerce program.*

**MOTION:** Rep Pace moved to adopt the language. The motion passed unanimously with Sen. Valentine and Rep. Bowman absent at time of voting.

## **2. Division of Finance - Mileage Reimbursement**

*It is the intent of the Legislature that the Department of Administrative Services develop and implement a mileage reimbursement program that requires agencies to reimburse employees for personal vehicle use at a rate equal to or less than the per mile cost of a mid-size sedan operated by the Division of Fleet Operations. It is also the intent of the Legislature that these rules be applied to Legislative Staff, the Judicial Branch and to the Utah System of Higher Education. The rule should make exception for instances where a State fleet vehicle is not available to the employee and for mileage reimbursement for Legislators and members of Boards and Commissions.*

Rep. Goodfellow commented on the changes in reimbursement rates.

**MOTION:** Rep. Barrus moved to accept the language. The motion passed unanimously with Sen. Valentine and Reps. Alexander and Bowman absent at time of voting.

## **3. Finance - Mandated 800 MHz**

*It is the intent of the Legislature that funds provided for 800 MHz Conversion be allocated among State agencies by the Chief Information Officer in consultation with the Director of Information Technology Services according to the following criteria:*

- 1. New ongoing funds shall be distributed to agencies such that total ongoing resources for each agency are sufficient to pay annual service fees on radios purchased with prior year appropriations;*
- 2. One-time and remaining new ongoing funds shall be distributed to agencies for purchase of additional radios and payment of annual service fees.*

~~*It is further the intent of the Legislature that funds provided to the Division of Finance for 80 MHz Conversion in previous years are nonlapsing and that those nonlapsing funds not used to pay service charges be used to purchase radio equipment. (FY 2002)*~~

*It is the intent of the Legislature that funds provided to the Division of Finance for 800 MHz Conversion in Item 62, Chapter 344, Laws of Utah 2000 not lapse and that those*

*funds not used to pay service charges be used to purchase radio equipment. (FY 2001)*

**MOTION:** Rep. Clark moved to adopt the language. Ms. Ireland asked if the committee would include FY 2002. The Analyst responded. The motion passed unanimously with Rep. Alexander and Sens. Valentine and Evans absent at time of voting.

#### **4. Finance Mandated - Critical Land Fund and Post Conviction Fund**

##### *Critical Land Fund*

*It is the intent of the Legislature that funds in the LeRay McAllister Critical Land fund shall not lapse. (FY 2001/2002)*

##### *Post Conviction Fund*

*It is the intent of the Legislature that funds for the Post Conviction Indigent Defense Fund shall not lapse. (FY 2001/2002)*

**MOTION:** Sen. Dmitrich moved to adopt the intent language. The motion passed unanimously with Sens. Evans, Valentine and Rep. Alexander absent at time of voting.

#### **5. Finance Mandated - Online Billing for ITS**

*It is the intent of the Legislature that the Department of Administrative Services Division of Information Technology Services develop an on-line system for billing its customers. Where possible, the system should replace paper billing and include a mechanism by which customers confirm bill payment and provide feedback about ITS rates and services. (FY 2002)*

**MOTION:** Rep. Becker moved to approve the language for ITS. The motion passed unanimously with Sens. Evans and Valentine and Rep. Alexander absent at time of voting.

#### **6. DFCM**

*It is the intent of the Legislature that the Building Board develop contracting guidelines that enable the State to share in the ownership of designs and plans associated with the construction of state-owned buildings.*

**MOTION:** Rep. McCartney moved to approve the language. The motion passed unanimously with Sen. Valentine and Rep. Alexander absent at time of voting.

#### **7. Capitol Preservation Board**

*It is the intent of the Legislature that the Executive Director of the Capitol Preservation*

*Board shall develop a master security plan for Capitol Hill. It is further the intent of the Legislature that this be done before the 2002 General Session.*

*It is the intent of the Legislature that funds for the Capitol Preservation Board shall not lapse and that those funds shall be used for the design and construction costs associated with Capitol restoration.*

*It is the intent of the Legislature that any person, group or organization who holds an event in the Capitol Building or on Capitol Hill grounds pay for costs associated with staging the event. It is further the intent of the Legislature that any increases in Dedicated Credits over the FY 2002 approved amount shall be used to offset costs related to Capitol Restoration.*

**MOTION:** Sen Evans moved to approve the intent language for the Capitol Preservation Board. David Hart asked for clarification of fees for those using the rotunda. Rep. Goodfellow questioned whether the fees cover the cost only or if they make a profit. Mr. Walthers suggested that legal staff address that and have the board establish policy.

**SUBSTITUTE MOTION:** Rep. Goodfellow moved that after “offset” to insert “at least the cost” and delete “costs” in the last line. Rep. Becker asked Dave Hart about the current policy. Mr. Hart replied that DFCM administers the fees now. They charge for cost but are researching the issue and developing a recommendation. The motion passed unanimously with Rep. Alexander absent at time of voting.

## **8. Fleet Operations ISF**

*It is the intent of the Legislature that the ~~Division of Fleet Operations~~ [rate committee] eliminate the fee charged to state agencies for alternative fuel vehicles.*

**MOTION:** Rep. Bowman moved to approve the intent language for Fleet Operations. Ms Ireland commented that state rate committee follows the intent of the Legislature and must balance this with 1996 intent language which encourages use of AFV vehicles. They will look at the situation and report on the analysis.

Rep. Adair commented on Federal mandates encouraging AFV even though there is no ethanol infrastructure in state and only 4% of the Fleet vehicles use CNG. Rep. Barrus responded that savings on AFV's would be substantial if the program was used as designed. Ms. Ireland responded to their comments. Dave Fletcher, Fleet, discussed the operating cost and increases. While natural gas costs fluctuate it is still less than petroleum. The analyst clarified the origin of the fees and that the fee is charged on all cars, not just those that are converted.

Rep. Bowman withdrew the motion

## **9. Internal Service Funds**

*It is the intent of the Legislature that Internal Service Funds of the Department of Administrative Services be allowed to add FTEs beyond the authorized level if it represents a benefit to the State and a decrease of FTEs in the user agency. The total FTEs within state government shall not change with this shift of FTEs. Agencies transferring FTEs to Internal Service Funds shall report to the Executive Appropriations Committee decreased personal service expenditures and corresponding increased Internal Service Fund charges as a result of the transfer.*

**MOTION:** Rep. Goodfellow moved to adopt the language for Internal Service Funds. The motion passed unanimously.

## **10. Capital Budget**

*It is the intent of the Legislature that, when necessary to meet interest requirements on variable rate demand obligations issued to finance highway construction projects, the Division of Finance may request a transfer of funds from the Department of Transportation. After receiving such a request, Transportation shall transfer monies from the Centennial Highway Fund to the Debt Service Fund to pay interest on variable rate demand obligations issued to finance highway construction.*

Sen. Valentine commented on the debt service language and Sen. Dmitrich commented on interest and the Centennial Highway Fund.

**MOTION:** Rep. Alexander moved to adopt the language for Debt Service. The motion passed unanimously with Rep. Adair absent at time of voting.

## **11. National Guard**

*It is the intent of the Legislature that no state funds shall be expended nor shall bonds be issued for the National Guard American Fork project until Federal Funds are formally appropriated.*

**MOTION:** Sen Valentine moved to adopt the language. The motion passed unanimously.

## **12. Purchasing and General Services (ISF)**

Mr. Walthers presented corrected figures for the budget of Purchasing and General Services. The budget previously adopted had been doubled.

**MOTION:** Rep. Alexander moved to reconsider previous action on January 24, 2001 for Purchasing and General Services ISF. The motion passed unanimously.

**MOTION:** Rep. Alexander moved to approve the budget as amended for \$13,418,700. The motion passed unanimously.

#### **14. Division of Facilities and Construction Management**

The budget for DFCM has not yet been approved as the committee was addressing the issue of additional FTE's. The analyst's recommendation is for DFCM to use the Project Reserve Fund to either hire employees for a specific time period or as part time or contract employees.

**MOTION:** Rep. Becker moved to approve the budget as printed on page 2 for DFCM for \$3,046,400 and DFCM Facilities Management for \$454,800. The motion passed unanimously with Sen. Valentine absent at time of voting.

**MOTION:** Rep. Becker moved to adopt the intent language for DFCM project management.

*It is the intent of the Legislature that DFCM shall use up to \$585,000 from the Project Reserve Fund to hire or contract for employees to assist in the management of construction projects approved during the 2001 General Session. This funding shall not be used to hire additional permanent staff.*

The motion passed unanimously with Rep. Alexander absent at time of voting. It was clarified that this is one-time money.

#### **15. Capitol Preservation Board Budget**

**MOTION:** Rep. Barrus moved to adopt the Capitol Preservation Board Budget for \$2,605,300. The motion passed unanimously with Sen. Evans and Rep. Alexander absent at time of voting. Reps. Adair and Becker declared a conflict of interest.

#### **16. Office of State Debt Collection**

The analyst explained the request of OSDC to transfer two FTE's into the ISF. They need to collect additional \$179,400 in dedicated credits.

**MOTION:** Rep. Clark moved to approve OSDC's additional dedicated credits. The motion passed unanimously with Sen. Evans and Rep. Alexander absent at time of voting.

#### **17. ITS Internal Service Fund**

**MOTION:** Rep. Clark moved to adopt the budget for ITS Internal Service Fund for \$52,864,200. The motion passed unanimously with Sen. Evans and Rep. Alexander absent at time of voting.

#### **18. Youth Corrections**

The committee discussed the proposed intent language which is included in a bill introduced by Rep. Curtis.

*It is the intent of the Legislature that the Department of Corrections use county jail contracting in preference to the purchase or construction of State owned facilities. It is further the intent of the Legislature that the Department of Corrections present an annual report to the Legislature showing approved county contract expansions to ensure that supply does not exceed the State's need.*

**MOTION:** Sen. Valentine moved to adopt the language in case Rep. Curtis' bill doesn't pass.

**SUBSTITUTE MOTION:** Rep. Goodfellow moved that after "State owned facilities." to insert "However, these contracts in no way obligate the State for future payments if the beds are not utilized by state prisoners." He requested to suspend rules to allow an amendment exceeding fifteen words. The motion to suspend the rules passed unanimously. The Substitute Motion passed unanimously with Sen. Evans and Rep. Alexander absent at time of voting.

## **19. Natural Resources**

**MOTION:** Sen. Dmitrich moved to adopt language to Lease to Own the Natural Resources Building in Price.

*It is the intent of the Legislature that the Department of Natural Resources in cooperation with the Division of Facilities Construction Management evaluate the benefits of entering into a lease to own agreement for a facility in the Price area. If the lease to own benefits provide an economic benefit to the state of Utah, the legislature authorizes DNR to enter into a lease to own agreement. DFCM will assist DNR in the analysis and, as leasing agent, will provide the necessary support to accomplish this objective.*

The motion passed unanimously with Sen. Evans and Rep. Alexander absent at time of voting.

## **20. Non-State Funded Projects**

Mr. Walthers addressed O and M for projects on the non-state funded list. He recommended removing the Hunstman Cancer Research Center from the list as previously discussed if the state provides \$5 million to them.

**MOTION:** Rep. Pace moved to accept O and M figures as requested rather than the amount recommended by the analyst. Sen. Valentine questioned the funding source for O and M if the motion passes. The analyst clarified that the committee sends a letter authorizing that amount to the agency. This action provides an opportunity to notify the committee of upcoming requests and is not a guarantee for funding.

Norm Tarbox, Assoc . Commissioner Higher Education., commented on increased O and M costs for engineering and research buildings and explained the varying costs. Rep. Pace commented that buildings need to be maintained.

**SUBSTITUTE MOTION:** Sen Valentine, moved to place "\$0" on projects where no money is recommended. The motion passed unanimously.

**MOTION:** Sen. Evans moved to adopt the list of recommended non-state funded projects with the deletion of the Huntsman Cancer Research Hospital and O and M at the requested amount. The motion passed unanimously with Rep. Alexander absent at time of voting.

Mr. Walthers told the committee that prioritization would be done on Monday. Sen. Evans commented on the price of the land purchase for Ogden ATC. The analyst told the committee that Executive Appropriations has authorized \$4,014,900 in funding for priority items, of that amount \$262,400 is ongoing and \$3,752,500 is one-time money. The committee needs to anticipate a \$1.1 million impact in the general fund for power increases. Another projected cost that State agencies will have to deal with are Olympics related costs. Up to \$1 million has been allocated to be put in Finance Mandated as a line item and then be distributed as needed.

The committee discussed the ITS approved budget. Sen. Evans commented on additional items brought to the committee that need to be put on list such as the land purchase for Vernal ATC and BATC - Brigham City. Mr. Ball reminded the committee that ITS is \$300,000 over budget and they will need to decide how to present that budget to Executive Appropriations.

**MOTION:** Rep. Goodfellow moved to adjourn. The motion passed unanimously.

Meeting adjourned at 4:07 p.m.

Minutes reported by Sharon Johnson.

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Sen. Beverly Evans

Committee Co-Chair

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Rep. Gerry Adair

Committee Co-Chair